



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

[A-588-833]

Stainless Steel Bar from Japan: Initiation and Preliminary Results of Antidumping Duty Changed-Circumstances Review, and Intent to Revoke Order in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On February 14, 2012, in accordance with section 751(b) of the Tariff Act of 1930, as amended (the Act), and section 351.216(b) of the Department of Commerce's (the Department) regulations, Suruga USA Corp. (Suruga), a U.S. importer of subject merchandise, filed a request for a changed-circumstances review of four types of stainless steel bar (SSBar)<sup>1</sup> that are subject to the antidumping duty order on SSBar from Japan (the Order).

On May 7, 2012, Suruga submitted revised product descriptions of SSBar that it seeks to exclude from the Order. The revised submission covers three products -- one under Grade 304 and two under Grade 440C.<sup>2</sup> On May 11, 2012, we received a submission from the petitioners<sup>3</sup> expressing a lack of interest in the products identified in Suruga's May 7, 2012 request and certifications that they account for virtually all of the domestic production of the particular SSBar.<sup>4</sup>

Therefore, in response to Suruga's request and based on the record evidence, we are notifying the public of our preliminary intent to revoke, in part, the antidumping duty order on SSBar from Japan

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<sup>1</sup> SSFJ & SSFJ-DKC, PSSFJ, PSSFG, U-SSFJ.

<sup>2</sup> See Suruga's Letter to the Department, dated May 7, 2012 at Attachment A.

<sup>3</sup> The petitioners are Carpenter Technology Corporation, Crucible Industries LLC, Electralloy a G.O. Carlson Inc. Co., North American Stainless, Outokumpu Stainless Bar, Inc., Universal Stainless & Alloy Products, Inc., and Valbruna Slater Stainless, Inc.

<sup>4</sup> Petitioner's Letter to the Department, dated May 11, 2012, at 1. The petitioners used the term "virtually all" in their May 11, 2012, letter. For this initiation and preliminary results of review, we are interpreting the phrase, "virtually all," as fulfilling the "substantially all" threshold provided under section 351.222(g)(1)(i) of our regulations.

with respect to the products described below and are inviting interested parties to comment on these preliminary results.

EFFECTIVE DATE:[Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Jerrold Freeman or Minoo Hatten, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0180 or (202) 482-1690, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Background

The Department published the antidumping duty order on SSBar on February 21, 1995.<sup>5</sup> On February 14, 2012, Suruga requested that the Department conduct a changed-circumstances review of the Order and exclude four particular types of stainless SSBar from the scope of the Order.<sup>6</sup> Because of certain concerns, the Department asked Suruga to submit revised product descriptions.

On May 7, 2012, Suruga submitted revised product descriptions which included one product under Grade 304 and two products under Grade 440C.<sup>7</sup> Suruga stated that, although the form of the descriptions was revised for ease of understanding, the products described in its May 7, 2012 submission are identical to those in its February 14, 2012 submission.<sup>8</sup> Suruga requests that the Department exclude imports meeting the following descriptions from the Order:<sup>9</sup>

(1) The **Grade 304** product has the following characteristics: round cross-section, cold finished, chrome plated (plating thickness 10 microns or greater), hardness of plating a minimum 750HV on the Vickers

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<sup>5</sup> See *Notices of Antidumping Duty Orders: Stainless Steel Bar from Brazil, India, and Japan*, 60 FR 9661 (Feb. 21, 1995).

<sup>6</sup> See generally Suruga's Letter to the Department, dated February 14, 2012.

<sup>7</sup> See Suruga's Letter to the Department, dated May 7, 2012 at Attachment A.

<sup>8</sup> See *id.* at 1 and Attachment A.

<sup>9</sup> See *id.* at Attachment A.

Scale, maximum roundness deviation of 0.020 mm (based on circularity tolerance described in JIS B 0021 (1984)), in actual (measured) lengths from 2000 mm to 3005 mm, in nominal outside diameters ranging from 6 mm to 30 mm (diameter tolerance for any size from minus 0.010 mm to minus 0.053 mm). Tolerance can be defined as the specified permissible deviation from a specified nominal dimension; for example if the nominal outside diameter of the product entering is 6 mm, then the actual measured sizes should fall within 5.947 mm to 5.990 mm;

(2) The first **Grade 440C** product has the following characteristics: round cross-section, cold finished, heat treated through induction hardening, minimum Rockwell hardness of 56 Hardness of 56 HRC, maximum roundness deviation of 0.007 mm (based on circularity tolerance described in JIS B 0021 (1984)), in actual (measured) lengths from 500 mm to 3005 mm, in nominal outside diameters ranging from 3 mm to 38.10 mm (diameter tolerance for any size from 0.00 mm to minus 0.150 mm). Tolerance can be defined as the specified permissible deviation from a specified nominal dimension; for example if the nominal outside diameter of the product entering is 3 mm, then the actual measured sizes should fall within 2.850 mm to 3.000 mm;

(3) The second **Grade 440C** product has the following characteristics: round cross-section, cold finished, chrome plated (plating thickness 5 microns or greater), heat treated through induction hardening, minimum Rockwell Hardness of 56 HRC, maximum roundness deviation of 0.007 mm (based on circularity tolerance described in JIS B 0021 (1984)), in actual (measured) lengths from 2000 mm to 3005 mm, in nominal outside diameters ranging from 6 mm to 30 mm (diameter tolerance for any size from minus 0.004 mm to minus 0.020 mm). Tolerance can be defined as the specified permissible deviation from a specified nominal dimension; for example if the nominal outside diameter of the product entering is 6 mm, then the actual measured sizes should fall within 5.980 mm to 5.996 mm.

Suruga stated that parties comprising the majority of the U.S. industry have agreed to the exclusion

of the aforementioned products based on changed circumstances.<sup>10</sup> Suruga also requested that the Department revoke the Order in part retroactively to February 1, 2010, the beginning of the 2010/2011 period of review for which we had deferred the initiation of a review based on a timely request by Suruga.<sup>11</sup> On March 30, 2012, in accordance with section 751(a) of the Act and section 351.213(c)(3) of the Department's regulations, the Department initiated the previously-deferred 2010/2011 administrative review of the Order. *See Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part, and Deferral of Administrative Review*, 77 FR 19179 (March 30, 2012).

On February 14, 2012, the petitioners submitted a letter attesting to their lack of interest in having the merchandise, as described above, continue to be subject to the Order.<sup>12</sup> On March 7, 2012, the petitioners submitted an amended letter affirming their support for the exclusion of the four types of SSBar from Japan, which included a signed certification from each company and a statement indicating that collectively the petitioners account for virtually all of the domestic production of SSBar.<sup>13</sup> On May 11, 2012, the petitioners provided certified statements in support of the exclusion of the three above-referenced products from the scope of the Order, again stating that they account for virtually all of the domestic production of the particular SSBar that Suruga seeks to exclude from the Order.<sup>14</sup>

#### Scope of the Order

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<sup>10</sup> *See id.* at 1.

<sup>11</sup> *See* Suruga's Letter to the Department, dated February 14, 2012, at 2. Suruga filed a timely request for the administrative review of the Order covering the period February 1, 2010 through January 31, 2011. *See* Suruga's letter to the Secretary of Commerce, dated February 28, 2011. We granted Suruga's request in *Initiation of Antidumping Duty Administrative Reviews, Requests for Revocation In Part, and Deferral of Administrative Review*, 76 FR 17825, 17826 (March 31, 2011).

<sup>12</sup> *See generally* Petitioner's Letter to the Department, dated February 14, 2012.

<sup>13</sup> *See generally* Petitioner's Letter to the Department, dated March 7, 2012.

<sup>14</sup> *See* Petitioner's Letter to the Department, dated May 11, 2012, at 1-2.

The scope of the order covers SSBar. The term SSBar with respect to the order means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons or other convex polygons. SSBar includes cold-finished SSBars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut-length flat-rolled products (*i.e.*, cut-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes and sections.

In addition, the term does not include certain valve/stem stainless steel round bar of 21-2N modified grade, having a diameter of 5.7 millimeters (with a tolerance of 0.025 millimeters), in length no greater than 15 meters, having a chemical composition consisting of a minimum of 0.50 percent and a maximum of 0.60 percent of carbon, a minimum of 7.50 percent and a maximum of 9.50 percent of manganese, a maximum of 0.25 percent of silicon, a maximum of 0.04 percent of phosphorus, a maximum of 0.03 percent of sulfur, a minimum of 20.0 percent and a maximum of 22.00 percent of chromium, a minimum of 2.00 percent and a maximum of 3.00 percent of nickel, a minimum of 0.20 percent and a maximum of 0.40 percent of nitrogen, a minimum of 0.85 percent of the combined content of carbon and nitrogen, and a balance minimum of iron, having a

maximum core hardness of 385 HB and a maximum surface hardness of 425 HB, with a minimum hardness of 270 HB for annealed material.<sup>15</sup>

The SSBar subject to the order is currently classifiable under subheadings 7222.11.00, 7222.19.00, 7222.20.00, and 7222.30.00 of the Harmonized Tariff Schedule of the United States (HTSUS).<sup>16</sup> Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

Initiation and Preliminary Results of Antidumping Duty Changed-Circumstances Review, and Intent to Revoke the Order in Part

Pursuant to section 751(b)(1) of the Act, the Department will conduct a changed-circumstances review upon receipt of information concerning, or a request from an interested party for a review of, an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. Section 782(h)(2) of the Act and section 351.222(g) of the Department's regulations provide that the Department may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product (*i.e.*, at least 85 percent)<sup>17</sup> have expressed no further interest in the relief of subject merchandise provided by the order or if other changed circumstances sufficient to warrant revocation exist. In addition, section 351.221(c)(3)(ii) of the Department's regulations permits the Department to combine the notices of

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<sup>15</sup> See *Final Results of Antidumping Duty Changed-Circumstances Review and Revocation of Order in Part: Stainless Steel Bar from Japan*, 71 FR 70959, 70960 (December 7, 2006).

<sup>16</sup> The Department previously listed 7222.10.0005, 7222.10.0050, 7222.20.0005, 7222.20.0045, 7222.20.0075, and 7222.30.0000 in the scope of the Order. See *id.* at 7059. On February 14, 2010, the above-referenced numbers were replaced with 7222.10.10, 7222.11.00, 7222.19.00, 7222.20.00, and 7222.30.00. As a result of recent changes to the HTSUS, effective February 3, 2012, the subject merchandise is no longer classifiable under HTSUS 7222.10.00. See Harmonized Tariff Schedule of the United States, available at [http://www.usitc.gov/tata/hts/bychapter/\\_1200.htm](http://www.usitc.gov/tata/hts/bychapter/_1200.htm).

<sup>17</sup> The Department has defined "substantially all" to mean accounting for over 85% of the total production of the domestic like product. See *Certain Orange Juice from Brazil: Preliminary Results of Antidumping Duty Changed Circumstances Review and Intent Not to Revoke, In Part*, 73 FR 60241, 60242 (Oct. 10, 2008); unchanged in *Certain Orange Juice from Brazil: Final Results of Antidumping Duty Changed Circumstances Review*, 74 FR 4733 (Jan. 27, 2009).

initiation and preliminary results if it concludes that expedited action is warranted.

In accordance with section 751(b) of the Act, section 351.216(b), and section 351.222(g) of the Department's regulations, the Department is initiating this changed-circumstances review and has determined that, pursuant to section 351.221(c)(3)(ii) of the Department's regulations, expedited action is warranted. We find that the petitioners' affirmative statement of no interest, and their certified statement that they produced virtually all the domestic like product, provide a reasonable basis for the Department's determination to conduct an expedited review. Based on the petitioners' expression of no interest and claims of accounting for virtually all of the domestic production of the domestic like product, and absent any evidence to the contrary, we also preliminarily determine that substantially all of the domestic producers of the domestic like product have no interest in the continued application of the Order as to the types of SSBar in question. Therefore, we are notifying the public of our intent to revoke the Order in part. If we make a final determination to revoke the Order in part, this determination will apply to all unliquidated entries of the above-specified types of SSBar from Japan covered by the Order which are entered, or withdrawn from warehouse, for consumption on or after the date determined by the Department.<sup>18</sup> Suspension of liquidation is considered removed upon publication of the final results in the Federal Register and the Department will instruct U.S. Customs and Border Protection (CBP) to liquidate without regard to antidumping duties and to refund with interest any estimated antidumping duties collected.<sup>19</sup> The current requirement for a cash deposit of estimated antidumping duties on entries of the three types of SSBar described above and covered by the Order will continue unless, and until, we publish a final determination to revoke the Order in part.

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<sup>18</sup> See section 751(d)(3) of the Act.

<sup>19</sup> See section 778 of the Act; section 351.222(g)(4) of the Department's regulations.

Surugarequested that the Department revoke the Order in part retroactively to February 1, 2010, the beginning of the 2010 anniversary month of the Order.In the instant case, we have not completed an administrative review on the Order for the period February 1, 2010 through January 31, 2011. It is the Department’s practice to revoke an order (in whole or in part) so that the effective date of revocation covers entries that have not been subject to a completed administrative review.<sup>20</sup> Therefore, in accordance with the Department’s practice, we preliminarily determine to instruct CBP to liquidate, without regard to antidumping duties, shipments of these three types of SSBar from Japan described above, entered, or withdrawn from warehouse, for consumption on or after February 1, 2010.

#### Public Comment

Pursuantto 19CFR351.221(b)(4)(ii),interested parties may comment on these preliminary results by submitting case briefs to the Department no later than 15 days after the publication of this notice in the *Federal Register*. Parties will have seven days subsequent to this due date to submit rebuttal comments, limited to the issues raised in the case briefs. Parties who submit case briefs or rebuttal comments in this proceeding are requested to submit with each argument (1) a statement of the issue and (2) a brief summary of the argument (no longer than five pages, including footnotes). Any interested party may request a hearing within 10 days of the date of publication of this notice. Further, any hearing, if requested, will be held no later than 25 days after the date of publication of this notice, or the first business day thereafter. All written

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<sup>20</sup> See *Notice of the Final Results of Changed Circumstances Review and Revocation of the Antidumping Order: Coumarin from the People’s Republic of China*, 69 FR 24122 (May 3, 2004) and the accompanying Issues and Decision Memorandum at 3; see also *Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Germany: Notice of Final Results of Changed Circumstances Review, Revocation of the Antidumping Duty Order, and Rescission of Administrative Reviews*, 67 FR 19551, 19552 (April 22, 2002).



comments and/or requests must be filed electronically using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Time of the deadlines set forth in this notice.

We will issue our final results in this changed-circumstances review as soon as practicable following the above comment period but not later than 270 days after the date on which we initiated the changed-circumstances review, in accordance with 19 CFR 351.216(e), and we will publish the results in the *Federal Register*.

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and sections 351.216, 351.221(b)(1), and 351.222 of the Department's regulations.

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Paul Piquado  
Assistant Secretary  
for Import Administration

May 18, 2012\_  
(Date)

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